

**State Employee Benefits Advisory Council Meeting
October 14, 2009
Statewide Benefits Office
Dover, Delaware**

The State Employee Benefits Advisory Council met on October 14, 2009 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Ed Tos, Chair, SEBAC, DOL
Thomas Chapman, SEBAC/DSEA
Patricia Griffin, SEBAC, Court Admin.
Brenda Lakeman, OMB, SW Benefits, Director
Faith Rentz, OMB, SW Benefits

Ann Skeans, SW Benefits
Mary Thuresson, SW Benefits
Tim Barchek, DSEA
John Kenyon, AFSCME

Ms. Lakeman called the meeting to order at 3:17 p.m. The new SEBAC member Patricia Griffin was welcomed and introductions followed.

1. Approval of Minutes

Mr. Tos requested a motion to approve the May 13, 2009 SEBAC minutes. Mr. Chapman made the motion and Ms. Griffin seconded the motion. Upon unanimous voice vote the minutes were approved.

An overview of what SEBAC is and does was given to benefit the new SEBAC member.

Agenda Items Discussed:

2. Update of SEBC activities

Eligibility Rule Update of Rule 5.13b

Ms. Lakeman stated that a revision to Eligibility Rule 5.13b will be presented to SEBC on October 19 due to a change to the elimination period of the Disability Program. Currently, Rule 5.13b states employees whose STD claims are in a pending status are entitled to receive state share. There were no problems with that clause until the elimination period was changed to 60 days from 20 days. The question arose: What are we to do with employees out on an unpaid leave and perhaps not yet pending because they have not yet filed a claim. With the intent that employees in the elimination period for STD remain eligible for state share during that period, they must file a claim and the claim must be in a pending status with the Hartford. Language needs to be added, however, similar to the end of 5.13c to say, "If the STD claim is denied the employee is responsible for the state share paid on his or her behalf while the claim was in a pending status," in order to maintain the financial integrity of the fund. Clarification, discussion and questions followed. SEBC will need to vote on this.

Mr. Tos asked if employees need to know this ahead of time and if they will be notified.

Ms. Lakeman said yes and it will be published at the first of next month if it gets approved on October 19. If an employee moves to a no pay status, a person's benefit representative should be advising them they are no longer receiving state share. There is a standard form letter that goes out

and this will be incorporated into that letter. Additionally, if a person is in an appeal status they are eligible for state share.

Mr. Barchek had concerns for those people who were not eligible for state share. Ms. Lakeman explained current state rules for eligibility of state share. Further discussion included various scenarios, including how school districts handle this. Those who get state share and are denied STD do have to repay the state share portion and the fund is made whole. There are some people who have no sick leave and get no pay.

All SEBAC members present verbally supported the Eligibility Rule Update of Rule 5.13b.

Preferred Drug Step Therapy for Angiotensin II Receptor Blockers (ARBs) – (DRAFT handout)

Ms. Rentz presented an overview and rationale for the ARBs Step Therapy to be presented to the SEBC on October 19. This step therapy will be in addition to already existing step therapies. ARBs are used for treatment of hypertension (high blood pressure), heart failure and diabetic nephropathy (kidney disease). The recommendation will be to approve enrollment in the Preferred Drug Step Therapy for ARBs effective January 1, 2010. The goals of this program are to maximize the generic savings opportunity associated with Cozaar and Hyzaar and to maximize manufacturer rebate potential on preferred formulary brands Diovan and Micardis. Members whose doctors feel they need to use these non-preferred medications can get a coverage authorization by appealing to Medco. Estimated annual cost savings based on the Group Health Program's drug claims is \$620,000. Discussion, along with questions and answers followed. All SEBAC members present voiced their approval.

Federal Mandates - Two

Michelle's Law – requires students who have medical coverage to have coverage continued for 12 months if they become seriously ill. It will impact the Health Fund. It is an unfunded mandate.

Mental Health Parity - requires equal coverage for mental health coverage the same as for medical coverage. Ms. Lakeman stated the caps would have to be removed that limit visits. Ms. Rentz noted it would not be a big impact on the Fund.

Wellness/Disease Management Proposal – (handout)

Ms. Lakeman gave an overview of recent Wellness and Disease Management presentations and discussions from SEBC. A proposal/recommendation will be presented to the SEBC – release RFP for combined Wellness/Disease management vendor to attain synergy and efficiency of both programs for better outcomes and ability to incent employees to lower health care costs. A timeline was given. Discussion, questions and answers followed. All SEBAC members present vocally supported the proposal.

3. Old Business

Ms. Lakeman stated they are working with Blue Cross Blue Shield regarding increases in claims payments in August. Discussion of utilization, how bills are paid, claim reserve and questions and answers followed.

4. SEBAC comment to SEBC

The SEBAC supports the recommendation for Eligibility Rule Update of Rule 5.13b.

The SEBAC supports the proposal/recommendation to release an RFP for Wellness/Disease Management.

5. Public Comment

Mr. Barchek voiced his concerns during discussion of the Eligibility Rule Update 5.13.b.

Mr. Tos adjourned the meeting at 4:39 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist II
Statewide Benefits Unit, OMB